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11 **UNITED STATES BANKRUPTCY COURT**
12 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
13 **SAN FRANCISCO DIVISION**
14

15 **In re:**

16 **PG&E CORPORATION,**

17 -and-

18 **PACIFIC GAS AND ELECTRIC COMPANY,**

19 **Debtors.**

- 20
21 ☐ **Affects PG&E Corporation**
22 ☐ **Affects Pacific Gas and Electric Company**
☒ **Affects both Debtors**

23 **All papers shall be filed in the Lead Case, No.*
24 *19-30088 (DM).*

Bankruptcy Case No. 3:19-bk-030088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

25 **RESPONSE OF THE FIRE VICTIM TRUSTEE TO**
26 **WILLIAM B. ABRAMS' MOTION FOR RECONSIDERATION**
27 **OF THE ORDER APPROVING THE PARTIES' STIPULATION**
REGARDING THE REGISTRATION RIGHTS AGREEMENT [Dkt. Nos. 7919, 7974]
28

1 The Hon. John K. Trotter (Ret.), in his capacity as Trustee of the Fire Victim Trust (the
2 “**Trustee**”) in the above-captioned chapter 11 cases of PG&E Corporation and Pacific Gas and
3 Electric Company (together, the “**Debtors**”), hereby submits this response (the “**Response**”) to
4 *William B. Abrams’ Motion for Reconsideration of the Order Approving the Parties’ Stipulation*
5 *Regarding the Registration Rights Agreement And Related Agreements of the Fire Victim Trust*
6 [Dkt. No. 7974] (the “**Reconsideration Motion**”) filed by William B. Abrams (“**Mr. Abrams**”),
7 seeking reconsideration of this Court’s order [Dkt. No. 7919] approving a stipulation among certain
8 parties regarding a registration rights agreement (the “**Registration Rights Agreement**”) and
9 respectfully states as follows.

10 **RESPONSE**

11 The Trustee files this Response to address and correct certain statements made in the
12 Reconsideration Motion.

13 The Reconsideration Motion suggests that Royal Bank of Canada has been selected as the
14 investment banking firm by the Fire Victim Trust. This is not correct. First, Royal Bank of
15 Canada served as an expert to the Official Committee of Tort Claimants in connection with the
16 Registration Rights Agreement negotiations. Second, as Mr. Abrams correctly identifies, the
17 Registration Rights Agreement simply provides that the Royal Bank of Canada would be an
18 investment banker that is *acceptable to the Reorganized Debtors*, if retained by the Fire Victim
19 Trust. Third, the Fire Victim Trust has not yet selected its investment banker(s) to assist it with the
20 monetization of the stock consideration it will receive, and there is a process for that selection that
21 must be completed.

22 Specifically, the PG&E Fire Victim Trust Agreement (the “**Trust Agreement**”), included
23 as Exhibit A to the *Ninth Plan Supplement* [Dkt. No. 8057], provides the following at Section
24 3.2(d):

25 After a reasonable investigation and after consultation with the
26 TOC, the Trustee shall retain professional advisors as he or she
27 determined necessary and appropriate to act as investment and
28 financial advisor (each an “**Investment Advisor**”) who shall assist
the Trustee in assessing acceptable levels of investment risks,
making investment decisions based on budgetary considerations

1 and market conditions, and taking reasonable steps to protect, and
2 reinvest and dispose of Trust Assets in accordance with the
3 purposes of the Trust as set forth in Section 1.2 above. Candidates
4 for the position of Investment Advisor shall fully disclose to the
5 Trustee any interest in or relationship with the Debtors or the
6 Reorganized Debtors. Any such interest or relationship shall not
be an automatic disqualification for the position, but the Trustee
shall take any such interest or relationship into account in selecting
the Investment Advisor.

7 Notably, the Trustee may retain more than one investment banker to assist in monetizing its
8 assets, but that such retention must be done in consultation with the Trust Oversight Committee,
9 which has not been appointed as of the date of this filing. Additionally, as also required by the
10 Trust Agreement, the Trustee will have the benefit of, among others, his legal advisor, Brown
11 Rudnick LLP, as well as his financial advisor, Houlihan Lokey, both of whom will assist and advise
12 the Trustee in the investment banker interview and selection process. Moreover, the Trustee
13 expects, consistent with proper trust administration and as provided in the referenced Trust
14 Agreement section, that all potential conflicts of the candidates will be appropriately disclosed.
15 Finally, in making his selection(s), the Trustee will have the benefit of consultation with his
16 oversight committee. The Trustee respectfully submits that the foregoing sufficiently responds to
17 Mr. Abrams' statements in the Reconsideration Motion regarding the Fire Victim Trust's retention
18 of its investment bankers.

19 With respect to the remaining objections raised by Mr. Abrams as to the substance of the
20 Registration Rights Agreement, the Trustee simply advises the Court that the Fire Victim Trust's
21 interests were separately represented in the lengthy, vigorous, complex, and mediated negotiations
22 of the Registration Rights Agreement by both the Trust's counsel and its financial advisor, Houlihan
23 Lokey.

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1 For the avoidance of doubt, the Trustee has no objection to Mr. Abrams' motion to shorten
2 time for consideration of his Reconsideration Motion.

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4 DATED: June 25, 2020

5 BROWN RUDNICK LLP

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